

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 807 - SB 715

March 18, 2021

SUMMARY OF BILL: Requires the Department of Human Services (DHS) to phase out the asset limit for the Supplemental Nutrition Assistance Program (SNAP) and the vehicle and asset limit for the Temporary Assistance for Needy Families (TANF) program incrementally over a four-year period, beginning in calendar year 2022 and such that by calendar year 2025 there will be no such limit.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Any increase in federal Temporary Assistance for Needy Families (TANF) expenditures for the Department of Human Services (DHS) can currently be absorbed within the existing TANF block grant. To the extent other legislation is passed utilizing TANF funding and reserves, the DHS may experience an increase in state expenditures. The extent and timing of any additional fiscal impact to the DHS, if any, cannot be reasonably determined.

Passage of this legislation could jeopardize a portion or all of federal Supplemental Nutrition Assistance Program funding to the DHS of approximately \$2,000,000,000 in FY21-22 and subsequent years.

Assumptions:

Assumptions relative to TANF:

- The asset and vehicle limit for TANF each represent one component of a broader eligibility structure that includes numerous other variables. The limit is currently set by DHS rule.
- Raising, and ultimately abolishing, the vehicle and asset limit for TANF is reasonably assumed to increase participation, and thus federal TANF expenditures to the DHS.
- Based on information provided by DHS, the increase in participation is expected to be small relative to existing caseloads; therefore, any increase in federal expenditures is estimated to be absorbed within the annual federal TANF block grant.
- The recurring annual amount the state receives from the federal government per the TANF block grant is approximately \$191,000,000. Additionally, DHS has the authority to draw from TANF reserve funds. As of September 30, 2020, the balance of the TANF reserve funds, was approximately \$735,800,000.
- While these recurring expenditures can currently be absorbed within DHS's existing block grant, to the extent other legislation is enacted that utilizes such funding and

reserves, the DHS will experience an increase in state expenditures to meet the requirements of this legislation. The extent and timing of any additional fiscal impact to the DHS, if any, are unknown and cannot be reasonably determined.

Assumptions relative to SNAP:

- Pursuant to 7 C.F.R. § 273.8(b), the maximum allowable financial resources for SNAP participants shall not exceed \$2,000, as adjusted for inflation. For households including one or more members who are elderly or have a disability, such financial resources shall not exceed \$3,000, as adjusted for inflation.
- Therefore, increasing or eliminating the SNAP asset limit as required by this legislation could jeopardize a portion or all of federal SNAP funding received by the DHS of approximately \$2,000,000,000 in FY21-22 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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